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May 17, 2002

OFFICE OF THE  
EXECUTIVE SECRETARY

David Waddell  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243

Re: In the Matter of Notice of Rulemaking Amendment of Regulations  
for Telephone Service Providers  
Docket No. 00-00873

Dear Mr. Waddell:

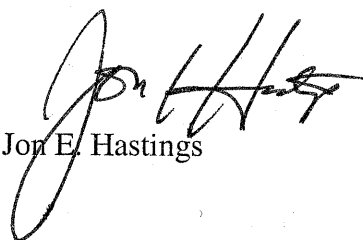
Attached please find the original and thirteen copies of Comments of WorldCom which we would appreciate your filing in the above-referenced docket.

Thank you for your attention to this matter.

Very truly yours,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By:



Jon E. Hastings

JEH/th

Attachment

cc: Parties of Record

**BEFORE THE  
TENNESSEE REGULATORY AUTHORITY**

**Re: In the Matter of Notice of Rulemaking Amendment ) Docket No. 00-00873  
of Regulations for Telephone Service Providers )**

**COMMENTS OF WORLDCOM**

Pursuant to the Notice issued by the Executive Secretary on May 9, 2002, MCI WorldCom Communications, Inc., MCImetro Access Transmission Services, LLC and Brooks Fiber Communications of Tennessee, Inc. (collectively "WorldCom") hereby file comments on the most recent version of the proposed rules.

WorldCom continues to support the comments that have been filed by the industry as a group this matter. Like most other providers, WorldCom questions the need for these rules. As a CLEC that has provided business service for only a few years in Tennessee and residential service for only one month, WorldCom's local service cannot be accused of having slipped in terms of quality. Moreover, as a purely competitive carrier, WorldCom is already subject to the strictest form of quality control – the competitive market. All of WorldCom's customers know that they can leave to take the service of another provider if WorldCom's service fails to meet their expectations. Assuming competition continues to increase throughout Tennessee, increasing numbers of customers will be able to "vote with their feet" when encountering service that does not please them. It is not clear that new rules such as these are needed.

Should the Authority determine that it wishes to adopt rules like these, specific suggestions for revising the current proposed rules are set forth below. Time did not

permit the industry members to consolidate their comments for this round as in past comments. Though WorldCom has not had the benefit of reviewing other parties' latest comments regarding these rules prior to making this filing, it expects that it is supportive of the large majority of comments and revisions filed concurrently by the other industry members.

#### 1220-4-2-.01 Definitions

(28) "Underlying Carrier" means the telecommunications service provider supplying the telecommunications services that a reseller of local service or long distance service provides to the public or supplying Unbundled Network Elements, as defined by the Telecommunications Act of 1996 and Regulations of the FCC, to a provider of local service to the public.

This change is needed to clarify that providers using unbundled network elements also rely upon the facilities of underlying carriers.

#### 1220-4-2-.04 Customer Refunds for Service Outages and Delayed Installation of New Local Service for Residential Consumers

(1) In the event a customer's local service is disrupted and service is not restored within thirty (30) hours from the time of the report, the following adjustments or credits shall be issued to the affected customer by the telecommunications service provider:

(a) If a disruption in service is caused by acts of God, or acts of a third party who are neither owned or controlled by the telecommunications service provider, the customer's bill shall be adjusted, upon the request of the affected customer, on a prorated basis within two billing cycles of the date of disruption for the time the service is out.

(b) No adjustment shall be required if the local service outage is caused by the negligence or willful act of the customer.

(c) If a disruption in service is caused by any other reason not mentioned in 1220-4-2-.04(1)(a) or (b), the customer's bills shall be adjusted, within two billing cycles of the date of interruption \$5.00 per day until the service is restored, unless a larger credit is allowed under the telecommunications service provider's approved tariffs. Such credit shall not exceed \$50.00 for any one (1) month.

~~(2) A telecommunications service provider shall waive normal installation charges for its customers if it fails to install local service on the committed date. Normal installation charges do not include charges for work such as wiring inside the customer's residence or business.~~

(#) A reseller or Telecommunications Service Provider using Unbundled Network Elements to provide local service to the public, for any payments or credits made to customers pursuant to 1220-4-2-.04(1) or (2), shall have the right to a credit in like amount from the underlying carrier, if, as a result of the actions or inaction, or the processes, systems, or facilities of the underlying carrier, service is disrupted, or is not installed on the committed date.

WorldCom supports the proposed edits to this rule that have been made in the past by industry members in joint comments. In addition to the many arguments already raised with respect to this section is that problem that this section clearly was not drafted with business customers in mind – yet the rule is not limited to residential consumers. For example, in many cases, installation fees are needed to cover certain nonrecurring costs associated with establishing new service. Such fees can be substantial for business customers, depending on work necessary to turn up service. Requiring the waiving of the full amount of such an installation fee for a missed install date could, in many instances, especially with respect to larger business customers, be unduly harmful to the local provider. Moreover, nearly all larger customers receive service pursuant to contract, which works to protect both parties. Mandating the waiving of installation fees through these rules, which appear to be intended to protect residential consumers, is inappropriate and unnecessary in the business context.

With respect to credits for service outages, the \$5 per day clearly makes sense – if at all -- only in the residential context. As noted, CLECs serving business customers typically do so pursuant to a contract that likely addresses service outages. A business customer with competitive options who suffers an outage that is not resolved to his satisfaction is likely to look elsewhere for service (rather than demand \$5 per day from his current provider).

Because WorldCom provides service to residential and small business customers via the unbundled network element platform ("UNE-P"), it is frequently not to blame for the types of problems covered by this rule. Many service outages are due to problems with the facilities of the underlying provider, such as cable cuts. Similarly, the timeliness of installations is not -- for the most part -- under the control of the UNE-P provider. Should this section of these rules remain in a final draft to be adopted by the Authority, the Authority should add the language proposed herein. The additional language would permit CLECs that rely on the ILECs' underlying facilities to be reimbursed by the underlying carrier for refunds to customers and waived installation fees which they could not have avoided.

1220-4-2-.06 Disconnection of Local Service

(3) The following shall not be grounds for the disconnection or denial of local service:

(a) Non-payment of ~~toll service or any~~ unregulated charges, including but not limited to yellow page advertising, telephone equipment, Internet service and 900 pay-per-call services, listed on the customer's telephone bill.

The effect of this rule change would be to do away with Full Service Denial ("FSD"), the local carrier's right to disconnect a customer's local service for failing to pay the long distance portion of his phone bill. Eliminating FSD would inappropriately encourage the evasion of legitimate debt. Compelling evidence exists to demonstrate that the current disconnect authority of local carriers benefits consumers overall. As has long been the case in Tennessee, today ILECs and CLECs generally possess the legal authority to refuse or discontinue local service for nonpayment of bills -- local or toll -- provided the customer is given proper notice and allowed a reasonable time to remedy any

deficiency. This has worked well, and no evidence has been presented that FSD has been abused by carriers in Tennessee.

Tennessee consumers on the whole benefit from the current disconnect authority, because such authority unquestionably results in lower uncollectibles, which, in turn, alleviates upward pressure on toll rates. Restricting the ILECs' and CLECs' current disconnect authority could well result in an increase in the cost of telephone service to Tennessee consumers. Not only would this unfairly injure the large majority of consumers who pay their bills in a timely manner, it would reward those who do not pay.

There is ample evidence that uncollectibles increase significantly when local termination is not allowed. In Pennsylvania, Bell Atlantic reported an increase in uncollectibles of nearly 400% when its disconnect authority was restricted.<sup>1</sup> Other IXC's and LECs in California, New York, Texas, and Florida experienced similar increases.<sup>2</sup> High uncollectibles represent a cost burden that must be shared with the entire consumer body. Transferring costs generated by a small percentage of customers who do not pay their bill to the majority of customers who do pay their bill is poor public policy that the Authority should avoid and can avoid by modifying this rule as noted herein.

1220-4-2-.07 Termination of Service to a Reseller by an Underlying Carrier or Cessation of Service by a Local Telecommunications Service Provider

(1) Prior to an underlying carrier terminating service to a local ~~or long~~ distance-reseller:

(a) The underlying carrier shall provide no less than thirty (30) days written notice to the reseller that service will be terminated on a date certain.

(b) The underlying carrier shall provide to the Authority no less than thirty (30) days written notice of the pending termination of local service along with the reason(s) for such action.

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<sup>1</sup> Bell Atlantic's Reply Comments before the FCC, CC Docket 95-115, November 20, 1995, at p. 3.  
<sup>2</sup> GTE Reply Comments before the FCC, CC Docket 95-115, November 20, 1995, at p. 9.

The Authority should limit this rule to the relationship between underlying carriers and resellers of local exchange service. The relationship between carriers and long distance resellers is governed by contracts. The Authority should not interfere in the contractual relationship between long distance carriers and long distance resellers by grafting additional conditions for discontinuance of service. Long distance resale contracts contain terms and conditions of termination and applicable notice periods. Importantly, such contracts refer to certain instances in which service to resellers may be terminated without any notice, notably in the case of fraud. The Authority should not adopt a rule that, under the guise of a notice requirement, allows fraud to be perpetuated by a reseller for an additional 30 days.

Additionally, the typical relationship between a facilities-based interexchange carrier and a reseller is multi-jurisdictional. WorldCom often does not know in which states particular resellers offer service. The notice requirement to the Authority would be extremely difficult to administer in practice. These draft rules appropriately require that resellers notify the Authority of any impending cessation of service. The resellers must be certificated by the Authority to provide service. Such companies clearly know whether they offer service in Tennessee and should be responsible for notifying the Authority of any impending termination of service. Notice from the reseller should meet the Authority's needs and places the burden of notification where it belongs.

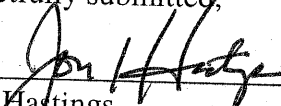
Accordingly, the requirement that the underlying carrier inform the Authority and the requirement that the underlying carrier give 30 days notice to a reseller of termination of service even in the case of fraud should be deleted from this rule.


## CONCLUSION

WorldCom greatly appreciates the Authority's consideration of its comments and respectfully requests that, if the Authority decides to adopt these rules, that the Authority grant the changes proposed herein.

Respectfully submitted,

Respectfully submitted,

  
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## CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been forwarded via U.S. Mail, postage prepaid, to the following on this the 17<sup>th</sup> day of May, 2002.

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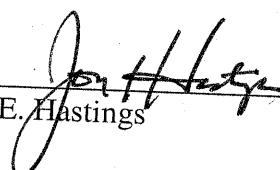
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